



6450-01-P

DEPARTMENT OF ENERGY

Western Area Power Administration

Central Valley Project, California-Oregon Transmission Project, Pacific Alternating Current Intertie, Third-Party Transmission Service; and Information on the Path 15 Transmission Upgrade-Rate Order No. WAPA-173

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of Extension and Rate Order for Sierra Nevada Region's Power, Transmission, and Ancillary Services Formula Rates.

SUMMARY: The Western Area Power Administration (Western) extends, on an interim basis, the existing Central Valley Project power, transmission, and ancillary services formula rates; California-Oregon Transmission Project transmission formula rate; Pacific Alternating Current Intertie transmission formula rate; and third-party transmission service formula rate. This action extends Rate Schedules CV-F13, CPP-2, CV-T3, CV-NWT5, COTP-T3, PACI-T3, CV-TPT7, CV-UUP1, CV-SPR4, CV-SUR4, CV-RFS4, CV-EID4, and CV-GID1 through September 30, 2019. The interim rates will be in effect until the Federal Energy Regulatory Commission (FERC) places the formula rates into effect on a final basis or until superseded.

DATES: This action is effective October 1, 2016.

FOR FURTHER INFORMATION CONTACT: Mr. Subhash Paluru, Regional Manager, Sierra Nevada Region, Western Area Power Administration, 114 Parkshore Drive, Folsom, CA 95630-4710, telephone (916) 353-4418, e-mail paluru@wapa.gov; or Ms. Regina Rieger, Rates Manager, Sierra Nevada Region, Western Area Power Administration, 114 Parkshore Drive, Folsom, CA 95630-4710, telephone (916) 353-4629, e-mail rieger@wapa.gov.

SUPPLEMENTARY INFORMATION: On August 25, 2015, Western published a notice in the Federal Register¹ in which Western proposed to extend, without adjustment, the existing Central Valley Project power, transmission, and ancillary services formula rates; California-Oregon Transmission Project transmission formula rate; Pacific Alternating Current Intertie transmission formula rate; and third-party transmission service formula rate. Western proposed to extend Rate Schedules CV-F13, CPP-2, CV-T3, CV-NWT5, COTP-T3, PACI-T3, CV-TPT7, CV-UUP1, CV-SPR4, CV-SUR4, CV-RFS4, CV-EID4, and CV-GID1 through September 30, 2019. As part of the notice, Western provided a 30-day comment period ending on September 24, 2015. Western received three comments, each in support of the three-year rate extension. Formula rates previously confirmed and approved by FERC, for which no adjustment is contemplated, may be extended by the Deputy Secretary on an interim basis, following notice of proposed extension at least 30 days before expiration.²

By Delegation Order No. 00-037.00A, effective October 25, 2013, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to Western's Administrator; (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a final basis, to remand, or to disapprove such rates to FERC. This extension is issued under the Delegation Order and DOE rate extension procedures at 10 CFR 903.23(a).

FERC confirmed and approved Rate Order No. WAPA-156³, Rate Schedules CV-F13, CPP-2, CV-T3, CV-NWT5, COTP-T3, PACI-T3, CV-TPT7, CV-UUP1, CV-SPR4, CV-SUR4, CV-RFS4, CV-EID4, and CV-GID1, for five years. These formula rates expire on September 30,

¹ See 80 FR 51556 (August 25, 2015).

² See 10 CFR 903.23(a).

³ See *U. S. Dept. of Energy, Western Area Power Admin.*, Docket No. EF11-9-000, 137 FERC ¶ 62,201 (2011).

2016. The rates and revenue requirements resulting from the approved formula rate methodologies are recalculated each year, based on updated financial and operational data. The existing formula rates provide sufficient revenue to repay all annual expenses, including interest expense, and to repay capital investments within the allowable periods, thus ensuring repayment within the cost recovery criteria set forth in DOE Order RA 6120.2.

Upon consideration of Western's proposal and the comments received, I hereby approve, on an interim basis, Rate Order No. WAPA-173, which extends, without adjustment, the existing power, transmission, and ancillary service formula rates in the above Rate Schedules through September 30, 2019. Rate Order No. WAPA-173 will be submitted to FERC for confirmation and approval on a final basis.

Dated: February 26, 2016

Elizabeth Sherwood-Randall
Deputy Secretary of Energy

**DEPARTMENT OF ENERGY
DEPUTY SECRETARY**

In the Matter of:)	
)	
Western Area Power Administration)	
Extension of Formula Rates for the)	Rate Order No. WAPA-173
Central Valley Project, California-Oregon)	
Transmission Project, Pacific Alternating)	
Current Intertie, and Third-Party)	
Transmission Service; and Information on)	
the Path 15 Transmission Upgrade)	

**ORDER CONFIRMING, APPROVING, AND PLACING THE CENTRAL VALLEY
PROJECT, CALIFORNIA-OREGON TRANSMISSION PROJECT, PACIFIC
ALTERNATING CURRENT INTERTIE, AND THIRD-PARTY TRANSMISSION SERVICE
FORMULA RATES INTO EFFECT ON AN INTERIM BASIS**

These rates were established in accordance with section 302 of the Department of Energy (DOE) Organization Act (42 U.S.C. 7152). This Act transferred to and vested in the Secretary of Energy the power marketing functions of the Secretary of the Department of the Interior and the Bureau of Reclamation under the Reclamation Act of 1902 (Ch. 1093, 32 Stat. 388), as amended and supplemented by subsequent laws, particularly section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)), section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), and other acts that specifically apply to the project involved.

By Delegation Order No. 00-037.00A, effective October 25, 2013, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to the Administrator of the Western Area Power Administration (Western); (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a final basis, to remand, or to disapprove such rates

to the Federal Energy Regulatory Commission (FERC). This extension is issued pursuant to the Delegation Order and DOE rate extension procedures at 10 CFR 903.23(a).

BACKGROUND

On December 2, 2011, FERC confirmed and approved the existing formula rates, Rate Order No. WAPA-156¹, Rate Schedules CV-F13, CPP-2, CV-T3, CV-NWT5, COTP-T3, PACI-T3, CV-TPT7, CV-UUP1, CV-SPR4, CV-SUR4, CV-RFS4, CV-EID4, and CV-GID1. FERC approved the rates for five years through September 30, 2016. On August 25, 2015, Western published a notice in the Federal Register proposing to extend the existing formula Rate Schedules for three years, without adjustment.² In accordance with 10 CFR 903.23(a), Western provided for a consultation and comment period that ended on September 24, 2015. Western received three comments, each in support of the three-year rate extension.

DISCUSSION

The power, transmission, and ancillary service formula rates, Rate Schedules CV-F13, CPP-2, CV-T3, CV-NWT5, COTP-T3, PACI-T3, CV-TPT7, CV-UUP1, CV-SPR4, CV-SUR4, CV-RFS4, CV-EID4, and CV-GID1, approved under Rate Order No. WAPA-156, expire on September 30, 2016. The existing formula rate methodologies are recalculated at least annually and provide adequate revenue to recover annual expenses, including interest expense, and repay capital investments within allowable time periods, thus ensuring repayment within the cost recovery criteria set forth in DOE Order RA 6120.2.

Rate Order No. WAPA-173 extends, without adjustment, the existing formula Rate Schedules CV-F13, CPP-2, CV-T3, CV-NWT5, COTP-T3, PACI-T3, CV-TPT7, CV-UUP1, CV-SPR4,

¹ See *U. S. Dept. of Energy, Western Area Power Admin.*, Docket No. EF11-9-000, 137 FERC ¶ 62,201 (2011).

² See 80 FR 51556 (August 25, 2015).

CV-SUR4, CV-RFS4, CV-EID4, and CV-GID1 through September 30, 2019, thereby continuing to ensure project repayment within the cost recovery criteria.

ORDER

In view of the above and under the authority delegated to me, I hereby extend, on an interim basis, the existing power, transmission, and ancillary services formula Rate Schedules CV-F13, CPP-2, CV-T3, CV-NWT5, COTP-T3, PACI-T3, CV-TPT7, CV-UUP1, CV-SPR4, CV-SUR4, CV-RFS4, CV-EID4, and CV-GID1. Rate Order No. WAPA-173 extends, without adjustment, the existing formula rates through September 30, 2019. The formula rates shall be in effect on an interim basis, pending FERC's confirmation and approval of this extension or substitute rate on a final basis.

Dated: February 26, 2016

Elizabeth Sherwood-Randall
Deputy Secretary of Energy

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